



森 林 木 业 企 业 有 限 公 司

PLANTATION RESOURCES ENTERPRISE PTE LTD

No. 61 Kaki Bukit Ave 1, #04-32 Shun Li Industrial Park Singapore 417943
Tel : (65) 6747 8328 Fax : (65) 6842 8227 Website : www.plantation.com.sg
Email : petersim@plantation.com.sg / sales@plantation.com.sg Company Reg. No.: 200404336E

GENERAL TERMS OF BUSINESS

All contracts are governed by the following General Terms of Business. Deviations from these Terms are effective only if they have been expressly confirmed by us in writing. Trading conditions of the customer do not bind us even when he does not object to them explicitly.

I. Quotations, Scope of Deliveries

1. Our offers are subjected to confirmation. Oral agreements or agreements by phone are binding only if we have written confirmation with receipt of payments.
2. The scope of delivery is determined based on our written order confirmation. If an order has not been confirmed, our quotation is binding. Ancillary agreements and alterations are valid only if we have confirmed them in writing.

II. Prices and Terms of Payment

1. Prices are either FOB China or CIF basis, as specified in our quotation, including stuffing into container but **exclude** additional sea worthy packaging. If the price for material or exchange rate between USD and Chinese Yuan (RMB) changes, prior to the signing of Sales Contract, we are entitled to increase the price accordingly.
2. In case of deliveries abroad the customer has to bear all levies, charges, taxes and cost for the technical examinations which are incurred outside of China. This also applies for legalization of certificates of origin, invoices of consulates, etc...
3. Net payments have to be made as follows:
 - a.) Minimum of 30% (Thirty percentage points) as deposit, upon signing of Sales Contract or receiving of Customer's Purchase Orders. Balance 70% prior to shipment from China.
 - b.) Any other agreed upon form of payments, which is stipulated in the Sales Contract.
 - c.) In the even deposit is not received within the stipulated period or beyond 14 days from date of Sales Contract or Customer's Purchase Order, we reserved the right to refuse the order.



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4. The payment with bills or cheques is affected on account of performance. If we accept bills which are payable abroad or at secondary centers, we do not assume liability for the in-time submission and due process. Discount expenses are invoiced from the day of invoice maturity. If the customer does not meet his financial obligations, especially if he does not cash cheques and bills or discontinues payments when we are entitled to collect the balance even if we have accepted cheques and bills. Moreover, we then have the right to demand advance payment.
5. The customer may not exercise a right to retention or a set-off unless claims are undisputed.
6. Upon acceptance of the order we assume that the customer is credit worthy. If the customer's economic situation deteriorates, especially if his property is subject to seizures or other enforcement proceedings or if his assets are subject to bankruptcy or composition proceedings, we may, before delivering the goods, request advance payments or a security. If the customer refuses to make an advance payment or grant a security, we may terminate the contract.

III. Time of Delivery

1. The deadline stated in our quotations are decisive. Timely delivery required on-time receipt of all documents to be furnished by the customer, his adherence to the agreed terms of payment or other obligations are not adhere to, the delivery period has to be regarded as prolonged for the time of the customer's default.
2. The delivery period shall be regarded as observed if the goods' read to be operated have been dispatched or collected within the agreed delivery period. In case the handling-over delayed for reasons attributable to the customer, the period will be regarded as observed if the readiness for dispatch has been announced within the agreed deadline.
3. Partial deliveries are admissible insofar as this is reasonable for the customer.



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4. If we are unable to meet the delivery period because of unforeseeable extraordinary circumstance which we were not able to prevent having exercised the diligence required under the circumstance-regardless whether such impediments have occurred in our works or to our supplies, - like interruption of production, official directives, defaults in the supply of raw materials, difficulties in energy supply, etc, -we may delay delivery for the duration of the hindrances.

5. The delivery period is also reasonable prolonged in case of strike or lock-out. If the delivery or service becomes impossible, we are not longer bound by our contractual obligation.

If the delivery period is extended by more than six months for the aforementioned reasons, the customer is entitled to withdraw from the contract. He may, however, not claim damages. The same applies if the aforementioned impediments happen to the customer.

We will plead the aforementioned circumstances only if we have informed the customer immediately.

6. If the customer wishes to delay the dispatch of the goods we may levy him with storage charges in the amount of 0.5 per cent of the net invoice value per month basis. The storage charges is limited to 5 per cent of the net Invoice value unless we prove that our cost have exceeded this amount.

IV. Dispatch, Passing of Risk

1. The risk passes to the customer upon dispatch. If dispatch is delayed for reasons attributable to the customer or one of his staff, risk passes at the date customer is notified of readiness for dispatch.

V. Reservation of Title

1. The delivered goods remain our property until paid for in full and until all claims resulting from the business relation as well as future claims and the cashing of bills and cheques have been settled.
2. If the customer pays by cheque and we issue a refinancing bill for that, the reservation of title will only expire if we are not liable on the bill any longer.



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3. The customer may only resell the merchandise if he does so within his normal course of business. It is now he assigns his claims arising from the resale of the reservation goods to us, especially the purchase price claim against his customers. We accept this assignment. The customer is obliged to announce this assignment to his debtors on our demand. He is furthermore obliged to inform us about the claims and the names of his debtors.
4. The customer may collect claims arising from the resale. If he is in default with payment or if we learn about other circumstance diminishing the customer's creditworthiness in commercial estimation we are entitled to revoke the right to collect the claims arising from the resale of the merchandise.
5. The assignment of our goods by way of collated security is not permitted. If third parties claim the reservation goods, especially in case of seizure, the customer will point out that we are the owner of the merchandise and will immediately inform us by sending us a copy of the warrant of distress.
6. If the customer fails to pay or perform his contractual obligations in some way, we are entitled to take back merchandise delivered by us after sending a reminder and setting a reasonable deadline for payment. The taking back of the merchandise shall not be recorded as a withdrawal from the contract, unless the Singapore statute on consumer credits is applicable.

If the customer does not meet his obligation in case of maturity, we furthermore have the right to make use of the reservation goods and other securities at any time and without legal proceedings, showing the greatest possible consideration for the customer's interest. We are only allowed to make use of the merchandise, provided that we threatened the customer with this at least two weeks before.

7. If the value of the securities granted exceeds our claims by more than 20 per cent we will, retransfer or release the securities according to our choice if the customer so requested.

VI. Warranties

1. Our liability is limited to Manufacturer's defects which appear within a period of 12 (Twelve) months from date of commissioning by our engineers or 15 (Fifteen) months from date of Bill



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of Lading. This does not include normal wear and tear parts encountered during the normal operation of the machinery.

2. We herewith assign to the customer our claims against the suppliers of essential parts. The customer may hold us liable for defects of such essential parts only if he has previously taken legal actions against the supplies without success.
3. The customer has to notify us of defects without delay, the latest within one week upon receipt of the merchandise. Defects which cannot be detected within this period even by diligent examination have to be notified immediately after they have been detected. Notice has to be given in writing.
4. In case of justified complaints we will repair or replace the defect part within 21 days. If the repair or exchange of parts is unsuccessful, the customer may request cancellation of the contract or reduction of the sales price. The same applies if a reasonably long deadline expires without result.

VII. Limitation of Liability

1. Claims for damages for the defects of goods or resulting from impossibility of performance, default, positive violation of contractual duties, and breach of duty at the time of contracting and claims which may be risen only if they result from intention, gross negligence or the violation of essential contractual duties. If the customer is a merchant, we are liable for gross negligence of non-executive staff members only if they violate an essential contractual duty. Compensation or financial damages like loss of production cut-back or lost profits shall be limited by the general principle of good faith, for instance if the price and the degree of the damage are disproportionate.

VIII. Venue, Applicable Law

2. The venue for all controversies arising from the agreement will be at Singapore, if the customer is a full merchant, a legal entity of public law or a special asset under public law. We are, however, free to sue the customer at his principal place of business.
3. All contracts are subjected to Singapore Law. The application of the United Nations Convention on Contract for International Sale of Goods of April 11, 1980 is excluded.